

James Robert Lay:

Greetings and hello. I am James Robert Lay, and welcome to the sixth episode of the Banking on Digital Growth podcast. Today's episode is part of the Buy the Book series, where I share insights from my book Banking on Digital Growth: A Strategic Marketing Manifesto to Save Financial Brands.

James Robert Lay:

So today I want to talk to you about something just a little bit personal. In fact, from our primary and secondary research, we found that there's a tremendous amount of shame tied up in the subject that is really deeply rooted in the subconscious beliefs and our thought patterns that stem from our upbringing from our childhood. And no I'm not talking about sex. However, it's interesting to note, there are multiple research studies that have found it is easier for couples to talk about sex than it is this very taboo and sensitive subject for a lot of us.

James Robert Lay:

What I want to talk to you about today is money. Because through the primary research that we've conducted here at the Digital Growth Institute, we've asked this one question: how does money make you feel, as part of our digital secret shopping studies. And after asking this question to over a thousand different people now, we've distilled the vast majority of responses into really three key feelings and emotions. Number one, money is confusing, and this is where someone says, yes, I know money is important, but I'm not sure what I should do with it. I'm not sure. Should I invest it? Should I save it? Should I borrow it? The second point is people feel money is stressful as I started this conversation because it doesn't really matter whatever I do, I don't feel I ever have enough money. And that leads to the third point that people share, money is overwhelming because I've got this mounting debt that makes me feel like I'm drowning, is what people share.

James Robert Lay:

So in addition to our own research, there's been a study that was conducted by the financial app Stash. And they found that 63% of people reported money as a major source of stress in their life. And in that same study, Stash also found that 34% of people shared that they feel they're too embarrassed to discuss financial matters because, and I find this so interesting, they're embarrassed to talk about financial matters because they feel that they're worse off than their peers. So there is some shame tied to that. Now, coming back to the point of financial shame, the Stash study found that 20%, or one in five people, don't talk about money with others because they're ashamed of their personal financial habits. Money coach Tammy Lolly noted that money shame is the silent killer in her very moving TEDx talk, where she shared the tragic story of her brother and the deadly toll that financial stress took on him and his family.

James Robert Lay:

So yeah, money is stressful. And there was another study that was conducted by Northwestern Mutual, where they found that 85% of Americans today feel stressed about their finances in some shape, form, or fashion. So here we are in 2020, and really for the next, what I see is two to three years, if we're looking at the macro level, money will be more stressful than ever before as we're moving into a post COVID-19 world. And this stress is going to take a toll on people's health, their relationships, their overall sense of wellbeing, because there have been multiple studies showing the direct correlation between a person's financial wellbeing, their physical wellbeing, and their mental wellbeing. So what does this mean for you? What does this mean for your financial brand? The reality is, in this post COVID 19 world, consumer behavior has changed.



James Robert Lay:

Even before COVID came crashing down on all of us, people didn't trust financial institutions like they used to. And now the financial brands that failed to adapt to these new consumer behaviors, these new attitudes, these new trends, and they don't adjust their marketing and sales strategies to reflect the consumer pain of financial stress and the that's taking on them through their health, their relationships, their wellbeing. It's going to be a challenging road ahead, but unfortunately that's what I'm seeing happening almost across the board for the vast majority of traditional banks and credit unions. Rather than a welcoming an opportunity to fill a new need with we'll just call it modern messaging and communication strategies that speak to those desperately looking for a partner that they can trust, a partner that can guide them beyond the stress they feel to a bigger, better brighter future, most financial brands are still doing the same old marketing they always have in the same ways that they always have.

James Robert Lay:

Moreover, legacy marketing and sell strategies I'm seeing don't really reflect the way consumer behavior has changed. And I can't stress enough, COVID is reshaping the way consumers think about banking, the way that they conduct financial transactions. Jim Moruse and I had a very good conversation about this in episode three, I recommend if you haven't listened to it, go back and listen to that. Because we get into the longer that we're in this post COVID world, the more consumers will transform their behaviors.

James Robert Lay:


So digital was changing the way that people shop. COVID is really forcing that even more so. The way that we shop, the way that we bank, the way that we learn, the way that we connect, the way that we relate, the way that we even eat. And so when we look at all this change happening, we were seeing before that consumers were coming into branches less and less and less. Even in episode number five, a conversation with Brett King, we were really reflecting upon his predictions dating all the way back to 2012 with branch today, gone tomorrow. And now because of COVID, maybe consumers might not ever have to go into a branch at all because they see everything that they can do through the digital channels, through the mobile channels. The problem is financial institutions have been stuck in an outdated branch first growth model where the in-person branch visits were traditionally seen as the primary growth opportunity, the primary sells opportunity.

James Robert Lay:

But we have to look at the transformation of consumer behavior because most of the time, a consumer's buying decision, even if we go back to pre-COVID, and we'll call that like before March of 2020, the majority of the time consumers were already shifting and shaping a buying decision for financial product at a much earlier stage in the buying journey, regardless of where they applied for a loan or an account, whether that was online, over the phone, or in the branch. And if you're like many of the banks and credit unions that I've worked with, you know that your financial brand's future growth is not going to come from branches alone, if from branches at all, for that matter, in a post COVID-19 world. You've watched it yourself. You've seen branch traffic decline year after year. And you might've also struggled with this when it comes to your marketing efforts.

James Robert Lay:

What I diagnose as dabbling in digital. Yes, you built a mobile responsive, ADA compliant website. It looks beautiful, but in reality, it's still just a glorified online brochure. Yes, you're sending out more emails, but maybe it's in the batch and blast format and most likely it's not as highly personalized as it could be. You're probably placing digital ads, but you're not exactly sure how effective they are in regards to conversion and measuring beyond clicks on an apply button. And then you're probably posting some



content on social media, but you're questioning the value of that. What am I getting in return for that time? And so you feel stuck because deep down you know traditional broadcast marketing strategies and tactics do not work with digital. The same thing is true, traditional sell strategies do not work in a digital first world.

James Robert Lay:

So what's the solution? How are you going to finally transform your marketing and sell strategies for a post COVID, digital first, mobile first economy empowering you to really maximize your digital growth potential and rocket ahead of your competitors, whether they be other traditional financial brands or digital financial brands. First, let's look at this revolution and evolution for what it is and embrace it, not fear it, because yes, we are moving into the fourth industrial revolution. If we look back over the past few hundred years, there have been three industrial revolutions that we've all traversed through. And now we are in the midst of a fourth.

James Robert Lay:

First of course it was the steam revolution of the late 1700s. Then we had the electric revolution of the 1800s and finally the computer revolution of the '60s and '70s. However, not as often discussed or really thought about, are the revolutions that happened in marketing and communications that accompanied the development in the industrial revolution. So for example, we went from print and newspaper to mass media, i.e. TV and radio, to digital, the internet. And with the fourth industrial revolution, that COVID is a forcing function and moving us further and faster into it, we have now moved beyond the computer age and entered an age or an era, the age of AI, if you will, where we have exponential technologies. Robots, artificial intelligence, virtual reality, the internet of things, and a vast array of other possibilities, some that we haven't even considered at that point.

James Robert Lay:

So what does all this mean for the evolution of marketing? What does all this mean for the evolution of sells, particularly through the lens of financial services? With the rise of automation comes a new potential to fully realize the one to one consumer communication strategies at scale that many have been talking about over the last three, four, five, six, seven years, it's becoming reality. And the old days of the one to many message strategy, whether it be from marketing or from sells, it's dead, it's gone. And that kind of one way broadcast marketing is simply no longer relevant today. So the name of the game is reaching people where they are along the course of their own consumer journey so that you can communicate with confidence, you can build a connection through empathy with a digital relationship that puts them first.

James Robert Lay:

And just as we are entering the fourth revolution of technology, we're also in the fourth revolution of marketing. So throughout my book Banking on Digital Growth, we're going to return to some of these concepts of empathy and the consumer journey time and time and time again, because in fact, every single one of us is on a journey. Narrative is central to the human existence. Just for a moment, I want you to go back in your mind to your ninth grade literature class and think about story for a moment. Because one of the key lessons that we all learned in that ninth grade literature class is there can only be one hero in every story. And that's exactly where we're going to pick up on this story on the next episode in the By the Book Series on the Banking on Digital Growth podcast. Until next time, be well, do good, and wash your hands.